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#### For more information contact:

Mike Rowswell Project Manager 360-705-7930 RowsweM@wsdot.wa.gov

WSDOT State Rail and Marine Office 360-705-7900 www.wsdot.wa.gov/rail



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# Washington Grain Train



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A financially self-sustaining freight transportation program that supports Washington's farmers, short-line railroads, and rural economic development.

### What is the Washington Grain Train?

The Washington Grain Train is a transportation program that produces a number of important public benefits at no cost to Washington taxpayers. Serving grain cooperative companies and farmers in one of the most productive grain-growing regions in the world, the Washington Grain Train helps carry thousands of tons of grain to deepwater ports along the Columbia River and Puget Sound. From there the grain is loaded onto ships bound for Pacific Rim markets.

The Washington Grain Train currently owns 100 grain cars. The Port of Walla Walla owns an additional 18 cars that are also used in the fleet. BNSF Railway Company (BNSF), PCC Railroad, and the Columbia Basin Railroad (CBRW) operate the Cars and carry the grain to market. Twenty-nine of the cars were recently purchased and are about to be distributed for use by the Eastern Washington Gateway Railroad (EWG).

# Why did WSDOT start the Washington Grain Train program?

In the early 1990s, a national shortage of rail hopper cars made it difficult and expensive for Washington State farmers to get grain to market. The transcontinental railroads were earning more money hauling grain from the Midwest to ports in the Pacific Northwest than they could through shorter distance trips within Washington. This reduced the supply of empty grain cars for eastern Washington grain shippers. To help alleviate this shortage of grain cars, the Washington State Energy Office and WSDOT used federal funds from a successful lawsuit to purchase 29 used grain cars as a pilot program for dedicated service within Washington. Additional cars were purchased when the program proved successful.

## How does the public benefit from the program?

The Washington Grain Train produces a number of important public benefits. The Grain Train:

- Helps move Washington products reliably and efficiently to domestic and international markets.
- Helps preserve Washington's shortline railroads by generating revenues that may be used to upgrade rail lines and support the railroad's long-term infrastructure needs.
- Helps support a healthy rail network that may maintain and attract new businesses in rural areas of Washington.
- Saves fuel over shipping by truck.
- Supports air quality improvement initiatives.
- Helps reduce wear and tear on local roadways by using rail.
- Was started with federal "seed" money and operates without any taxpayer subsidy.

## Who manages the Washington Grain Train?

WSDOT, the Ports of Walla Walla, Moses Lake, and Whitman County all manage the Washington Grain Train. WSDOT has oversight of the entire program, and the port districts collect monthly payments from BNSF for the use of the cars. The ports can use up to one percent of the payments they receive from the UP and BNSF for fleet management services.

# How well is the Grain Train program performing today?

Use of the grain cars remains strong. Since its beginning in 1994, the Grain Train program has carried over 14,000 carloads totaling more than 1,400,000 tons of grain from Washington to national and international markets. Total carloads for the first quarter of 2010 were 581—an increase of 34.4 percent over the total carloads of the first quarter of 2009. There were a total of 2,068 carloads shipped in 2009 compared to 1,771 carloads in 2008—a 16.7 percent increase.

## Which communities are served by the Washington Grain Train?

The Washington Grain Train collects wheat and barley from grain elevators in eight cities in eastern Washington. These are: Warden, Schrag, LaCrosse, Prescott, Endicott, Willada, St. John, and Thornton. Coulee City, Hartline, Almira, Davenport, Creston, and Reardan will be served with the new set of cars.

## How are the Grain Train cars currently used?

- Twenty-eight of the cars load grain on the CBRW. They are interchanged with BNSF at Connell for further transport to Washington ports.
- Forty-four of the remaining state-owned cars and the 18 Port of Walla Walla cars are used by the PCC Railroad to pick up grain on the PV Hooper Branch of the PCC Rail System and the Blue Mountain Railroad (BLMR). They are transported entirely by the PCC Railroad to a barge facility at Wallula for further transport to Washington ports. Because the PCC Railroad has operating rights on the Union Pacific (UP) Railroad between Wallula and the BLMR, and between Wallula and the PV Hooper Branch, the cars flow between the lines in a seamless process.
- The 29 new cars will be used by the EWG to collect grain on the CW Branch of the PCC Rail System for transport to Cheney for interchange with BNSF and further transport to Washington ports.

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# How does the Washington Grain Train generate revenues?

Usage fees for grain cars are generated on the BNSF Railroad based on a combination of mileage traveled and number of days on that railroad (time and mileage). The further the car travels and the longer it is on a particular railroad, the more money the car earns.

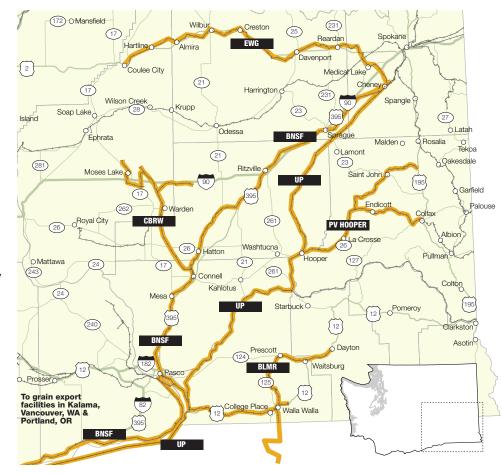
The shuttle service between grain elevators and the barge terminal in Wallula use a different system. A car use fee per trip was established for the shuttle service based on estimates of time and mileage. One car use fee was established for shipments on the PV Hooper rail line, and another for the BLMR.

These fees are deposited directly into accounts managed by each of the three port districts. These funds are used for grain car maintenance, car tracking, and eventual car replacement (based on a 20-year depreciation schedule). A portion of these fees are also set aside and used as a "reserve" fund that is periodically tapped for fleet expansion.

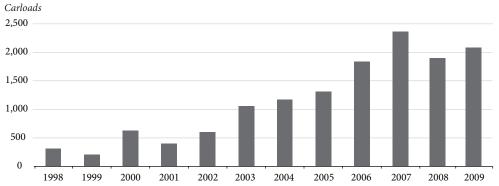
Once the reserve fund has grown large enough to purchase rail cars and there is a demonstrated need for additional cars, WSDOT can instruct the port districts to send funds to a rail car sales firm selected by WSDOT. This firm then delivers the cars to Washington for painting and then eventual service on a specific corridor where there is a shortage of grain hopper cars.







#### **Annual Grain Train Carloads**



#### **Grain Train Revolving Fund (Washington State-Owned Cars)**

